Approval of FDI Proposals

1864. MISS SAROJ KHAPARDE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the amount of FDI proposals approved during January—October in 1997, 1998 and 1999;

(b) whether there has been deceleration in FDI; and

(c) if so, the reasons therefor?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (b) Sir, total amount of FDI approved during January-October, 1997, 1998 and 1999 is as under:—

Jan.-Oct., 1997 :	Rs. 46659.44 crore
Jan.-Oct., 1998 :	Rs. 24453.85 crore
Jan.-Oct., 1999 :	Rs. 23795.58 crore

(c) While investment is dependent on the judgement of investors, deceleration in FDI can be due to factors such as global recession, south East Asian Economic Crisis and Political instability.

Performance in Industrial growth

1865. SHRI NARENDRA MOHAN: Will the Minnister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that the industrial growth for the first half of 1999-2000 is comparatively impressive at 6.4 per cent but the performance is mainly related to manufacturing and electricity sector and capital goods and consumer non-durable sector has not got any appreciable growth;

(b) whether Governemnt are taking any effective steps to achieve an overall growth target of about 7 per cent during 1999-2000; and

(c) if so, what are the details of these measures and the projection of growth, sector-wise?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) The overall industrial growth and growth rates in manufacturing, electricity

sector, capital goods and consumer non-durable sector during April-October, 1999-2000 and in the corresponding period of 1998-99 show an improvement in most sectors as seen from the table below.

Year	percetage growth rate of sectors				
	manufacturing	electricity	capital goods	Consumer non-durables	Overall
1998-1999 April-Oct	3.5	6.3	11.0	0.9	3.4
1999-2000 April-Oct	7.5	8.1	8.6	2.8	6.9

(a) and (c) Government has not made any projection of the growth rate in industrial production—

The steps taken to improve industrial production, interalia, are:

1. special package announced for revival of growth in exports;
2. repeal of ULCRA and incentive to house ownership;
3. the Government has allowed buy back of shares and inter-corporate loans to boost investment and revive the capital market;
4. a new power policy announced;
5. excise duties rationalized;
6. income tax rate and custom duties on infrastructure projects reduced;
7. liberalization of inflow of FDI/NRI/OCB investment and the guidelines for foreign equity investment in NBFC have further been modified;
8. setting up of Foreign Investment Implementation Authority (FIIA) to provide single point interface between foreign investors and Government machinery;
9. setting up of National Accreditation Boards including a National Patent Office and a National Benchmarking Patent House to promote integration of best practices in the Indian Industry;

10. restoration of 100% MODVAT credit;

11. reduction in CRR;

12. withdrawal of interest rate surcharge on import finance.

Inflow of Foreign Direct Investment

1866. SHRI C.O. POULOSE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state the data relating to the inflow of Foreign Direct Investment (FDI) for the take over of Indian companies and the percentage of FDI in areas where new manufacturing capacity is created, since the beginning of new economic policy in 1991?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): Sir, the data of inflows including inflows on account of acquisition & mergers including approval granted for creation of new manufacturing capacity for all sectors are maintained by RBI. Since the beginning of new industrial policy, the total year-wise inflows are as under:—

Year (Jan-Dec)	Inflow of FDI Amt. Rs. In crores
1991	315
1992	675
1993	1787
1994	3289
1995	6820
1996	10389
1997	16425
1998	13340
1999 (Jan-Oct)	11093
TOTAL	64169